

## Definitions

**Calendar Year:** The year beginning January 1<sup>st</sup> and ending December 31<sup>st</sup>.

**Cause of Injury Code:** The code that corresponds to the cause of injury or occupational disease. The International Association of Industrial Accident Boards and Commissions (IAIABC) codes for cause are divided into nine categories. A tenth category, "Miscellaneous Causes" was created to account for the records that did not have a cause code entered or All Other Claims, NOC (Not Otherwise Classified).

**Burn or Scald – Heat or Cold Exposure:** Includes chemical, hot or cold objects, temperature extremes, fire or flame, steam or hot fluids, dust, gases, fumes or vapors, welding, radiation, abnormal air pressure and electrical current.

**Caught In, Under or Between:** Includes caught in or between machinery, an object being handled and miscellaneous objects such as earth slides or collapsing materials either man made or natural.

**Cut, Puncture Scrape or Injured By:** Includes punctures, cuts, or scrapes as a result of broken glass, hand tools, utensils, power tools or appliances.

**Fall, Slip or Trip:** Includes falling from a different level or on the same level, ladder or scaffolding falls, slipping on liquid or grease spills, fall into opening such as shafts, excavations or floor openings, stairs or slips on ice and snow.

**Miscellaneous Causes:** Includes absorption, injection or inhalation, foreign matter in eye, robbery or criminal assault, not otherwise classified (NOC); includes all records where cause was not reported on the First Report of Injury or where the code could not be converted to IAIABC codes.

**Motor Vehicle:** Includes crash of water vehicle, rail vehicle, collision with another vehicle or fixed object, rollovers, rough riding and airplane crashes.

**Rubbed or Abraded By:** Includes repetitive motion such as callous, blister, etc.

**Strain or Injury By:** Includes continual noise, twisting, jumping, holding or carrying objects, lifting, pushing, pulling, reaching, and using tool or machinery, wielding or throwing and repetitive motion.

**Striking Against or Stepping On:** Includes moving machine parts, objects being lifted, sanding, scraping or cleaning operations, stationary objects and stepping on sharp objects.

**Struck or Injured By – Includes Kicked, Stabbed, Bit, Etc:** Includes falling or flying objects, hand tools or machines in use, co-workers, or patients, motor vehicles, moving machine parts and objects handled by others.

**Compensation Benefits:** Any payment made directly to the worker (or the worker's beneficiaries) other than a medical benefit. The term includes payments made pursuant to a reservation of rights or in settlement of a dispute over initial compensability of the claim. The term does not include expense reimbursements for items such as meals, travel or lodging.

**Employment Relations Division (ERD):** The State of Montana's regulatory agency for workers' compensation. This division is part of the DLI.

**Fiscal Year:** The State of Montana's fiscal year begins July 1<sup>st</sup> and ends June 30<sup>th</sup> of the following year.

**First Report of Injury and Occupational Disease (FROI):** The initial report designed to notify parties of the occurrence of an injury or occupational disease. The FROI contains basic claim information about the worker, accident and employer.

**Indemnity Payments:** Payments made by the insurer to the injured worker to compensate for the loss of wages resulting from an injury or occupational disease.

**International Association of Industrial Accident Boards and Commissions (IAIABC):** An organization of workers' compensation specialists including government officials and regulators, business and labor leaders, medical providers, law firms, insurance carriers, and rehabilitation and safety experts. Working groups work jointly to standardize reporting of workers' compensation data. Standards have been developed for communicating data electronically through Electronic Data Interchange (EDI).

**Median:** The middle value of a distribution; half the values are above the median and half are below the median. When a distribution consists of an even number of values, the median is calculated by taking the average of the two middle values.

**Montana Code Annotated (MCA):** The definitive guide to Montana laws, consisting of the Constitution, codes and statutes. The MCA is normally published each odd numbered year incorporating changes made by the Legislative Session of that year.

**Nature of Injury Code:** The code that corresponds to the nature of the injury or occupational disease. The IAIABC codes for nature are divided into eight categories. A ninth category "All Other Claims, NOC", was created to account for the records that did not have a nature code entered.

**All Other Claims, NOC:** Includes asphyxiation, loss of circulation, infection, concussion, heart problems, vision loss, hearing loss, poisoning, fainting, no physical or psychological injuries; includes all records where nature code was reported as "unclassified", the code was not reported on the First Report of Injury, or the code could not be converted to IAIABC codes.

**Amputation:** Includes loss of a limb that involves bone, loss of part of an organ, enucleation or severance of a body part.

**Bruise or Swelling:** Includes contusions, broken blood vessels and inflammation.

**Burn or Exposure:** Includes electrical shocks, chemical burns, temperature extremes, freezing, sunburns, heat stroke and lightning.

**Cut or Abrasion:** Includes slivers, lodged small objects, open wounds, scrapes and needle sticks.

**Fracture:** Includes any breaking of a bone.

**Multiple Injuries**

**Occupational Disease:** Includes repetitive motion, loss of hearing or sight, respiratory conditions, poisoning, mental disorders, radiation, heart disease, cancer, AIDS, carpal tunnel and any disease resulting from work related experiences.

**Sprain or Rupture:** Includes strains, dislocations, hernias, organ ruptures and trauma to joints or muscles.

**Other Benefits Code:** A code that identifies the type of other benefits paid to date or recovered for an injury or occupational disease. The following are IAIABC code definitions:

**Consultant/Expert Witness Fees Paid to Date by Insurer:** Sum of fees paid to expert witnesses (in a legal proceeding for expert testimony or opinion) for this claim.

**Employer's Deductibles Recovery:** Sum of monies recovered through Insured reimbursement of deductible amounts for this claim.

**Funeral Expenses Paid to Date:** Sum of the funeral expenses for this claim.

**Hospital Costs Paid to Date:** Sum of costs of both inpatient and outpatient services which the injured employee received because of the work related injury.

**Insurers Legal Expense Paid to Date:** Sum of the employer's legal expenses paid for this claim.

**Other Medical Paid to Date:** Sum of medical costs not included in payments to physicians or hospital costs, i.e. laboratory tests, prescriptions.

**Other Vocational Rehabilitation Education Paid to Date:** Sum of vocational rehabilitation services not otherwise reported for this claim.

**Overpayment Recovery:** Sum of monies recovered due to overpayment of indemnity, medical or expenses for a claim.

**Subrogation Recovery:** Sum of monies recovered through subrogation for this claim.

**Total Payments to Physicians:** Sum of services paid to physicians for this claim.

**Unspecified Recovery:** Sum of monies recovered through salvage, apportionment/contribution, and all others not otherwise defined for a claim.

**Vocational Rehabilitation Education Paid to Date:** Sum of vocational rehabilitation education payments (including tuition, books, tools, transportation and additional living expenses) for this claim.

**Vocational Rehabilitation Evaluation Expense Paid to Date:** Sum of vocational rehabilitation evaluation services (testing and evaluating the claimant's ability, aptitude, or attitude in determining suitability for vocational rehabilitation or placement) for this claim.

**Part of Body Code:** The code which correspond to the part of body to which the employee sustained injury or occupational disease. The IAIABC code definitions for part of body are divided into six categories. The additional categories of "Wrist", "Back" and "Knee" are reported to provide greater detail. A tenth category, "All Other Claims, NOC", was created to account for the records that did not have a part of body code entered.

**All Other Claims, NOC:** Includes all records where the part of body code was reported as "unclassified", the code was not reported on the First Report of Injury, or the code could not be converted to IAIABC codes.

**Back:** Includes the upper and lower back, disc, or lumbar and sacral vertebrae.

**Head:** Includes multiple head injuries, skull, brain, ears, eyes, nose, teeth, mouth, soft tissue or facial bones.

**Knee**

**Lower Extremities:** Includes multiple lower extremities, hip, upper leg, knee, lower leg, ankle, foot and toe.

**Multiple Parts:** Includes artificial appliances, multiple body parts or body systems.

**Neck:** Includes multiple neck injuries, vertebrae, disc, spinal cord, larynx, soft tissue or trachea.

**Trunk:** Includes multiple trunk injuries, upper and lower back, disc, chest, sacrum and coccyx, pelvis, spinal cord, internal organs, heart, lungs, abdomen and buttocks.

**Upper Extremities:** Includes multiple upper extremities, upper arm, elbow, lower arm, wrist, hand, fingers, thumb and shoulders.

**Wrist:** Includes hand and wrist or just wrist injuries.

**Occupational Disease (OD):** Harm or damage caused by work-related events that occur on more than a single day or work shift. It includes acute chronic illnesses or diseases caused by inhalation, absorption, ingestion or overuse syndrome.

**Occupational Injury:** A cut, fracture, sprain, amputation, or other physical harm, which results from a work accident on a single day or during a single work shift.

**Permanent Partial Disability (PPD):** Permanent impairment resulting from an injury, after achieving maximum medical improvement, that impairs the worker's ability to work and causes an actual wage loss. PPD benefits are calculated using  $66\frac{2}{3}\%$  of the wages received at the time of injury, not to exceed half the state's average weekly wage at the time of injury. Maximum length for PPD benefits is determined by the date of injury.

**Permanent Total Disability (PTD):** A physical condition resulting from an injury or occupational disease, after achieving maximum medical improvement, in which the worker has no reasonable prospect of physically performing regular employment. PTD benefits are calculated using  $66\frac{2}{3}\%$  of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury. The injured worker may receive cost of living increases.

**Plan Type:** The type of workers' compensation insurance coverage chosen by an employer. There are three different types of insurance plans:

**Plan 1:** Self-insurance provided by employers who have sufficient financial strength to cover potential workers' compensation claims. If an injury occurs, a self-insured employer will pay the expenses and benefits.

**Plan 2:** Insurance coverage provided by a private insurance company.

**Plan 3:** Insurance coverage provided by the Montana State Compensation Insurance Fund (Montana State Fund).

**Plan 5:** Uninsured Employers Fund (UEF)

**Plan 6:** Subsequent Injury Fund (SIF)

**Professional Employer Organizations (PEO):** Professional Employer Organizations provide human resource services for small to medium size businesses. Examples of services provided by PEOs are staffing, securing unemployment and workers' compensation insurance, and handling payroll taxes and medical benefits. PEOs must be licensed by the DLI prior to contracting with any client companies.

**Standard Industrial Classification (SIC) Codes:** Codes used to categorize employers by industry and are published by the Federal Office of Management and Budget in the 1987 Standard Industrial Classification Manual. SIC codes are grouped into ten different industrial divisions, as listed below with examples of each division.

**Agriculture, Forestry & Fishing (AFF):** Includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting, trapping and related services.

**Construction:** Includes establishments performing new work, additions, alterations, reconstruction, installations, and repairs. Three broad types of construction activity are covered: building construction by general contractors, heavy construction other than building by general contractors, and construction activity by other special trade contractors.

**Finance, Insurance and Real Estate (FIRE):** Finance includes depository institutions, non-depository credit institutions, holding companies, other investment companies, brokers and dealers in securities and commodity contracts, and security and commodity exchanges. Insurance covers carriers of all types of insurance, and insurance agents and brokers. Real estate includes owners, lessors, lessees, buyers, sellers, agents, and developers of real estate. Establishments primarily engaged in the construction of buildings for sale are classified in construction.

**Manufacturing:** Includes establishments engaged in the mechanical and chemical transformation of materials or substances into new products. These establishments are usually described as plants, factories, or mills and characteristically use power driven machines and materials handling equipment. Establishments engaged in assembling component parts of manufactured products are also considered manufacturing if the new product is neither a structure nor other fixed improvement. Also included is the blending of materials, such as lubricating oils, plastic resins or liquors.

**Mining:** Includes all establishments engaged in the extraction of minerals occurring naturally, and also includes quarrying, well operations, milling, and other preparation customarily done at the mine site, or as a part of mining activity. Exploration and development of mineral properties are included.

**Public Administration:** Includes the executive, legislative, judicial, administrative and regulatory activities of federal, state and local governments.

**Retail Trade:** Includes establishments engaged in selling merchandise for personal or household consumption and rendering services incidental to the sale of the goods.

**Services:** Includes establishments primarily engaged in providing a wide variety of services for individuals, business or government establishments, and other organizations such as, hotels and other lodging places; establishments providing personal, business, repair, and amusement services; health, legal, engineering, and other professional services; educational institutions; and membership organizations.

**Transportation, Communication, and Public Utilities (TCPU):** Includes establishments providing to the general public, or to other business enterprises, passenger and freight transportation, communications services, or electricity, gas, steam, water, or sanitary services and all establishments of the United States Postal Service.

**Wholesale Trade:** Includes establishments or places of business primarily engaged in selling merchandise to retailers, to industrial, commercial, institutional, farm, construction contractors, or professional business users, or to other wholesale; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies.

**Subsequent Report:** A report that gives indemnity and medical payment information on an injured worker's claim. The report includes the date benefit payments begin and amounts paid by benefit type.

**Temporary Partial Disability (TPD):** A physical condition resulting from an injury, prior to achieving maximum medical improvement that causes a partial loss of wages. TPD benefits are the difference between the injured worker's actual weekly wage and the actual weekly wage earned during the injured worker's temporary partial disability. TPD benefits are limited to a total of 26 weeks, but the insurer may extend the period. They are subject to a maximum of 40 hours per week and capped at the injured worker's Temporary Total Disability rate.

**Temporary Total Disability (TTD):** A physical condition resulting from an injury or occupational disease, prior to achieving maximum medical improvement that causes a total loss of wages. TTD benefits are calculated using 66⅔% of the wages received at the time of injury, not to exceed the state's average weekly wage at the time of injury.

## *Methodology*

### **Industry Divisions**

Information is grouped by industry division whenever possible to allow for comparison using SIC codes. It is not mandatory to report SIC codes and if they are not provided, the injury will be reported under “NOC-Not Otherwise Classified” on the tables.

### **Injury and Occupational Disease Data**

The First Report of Injury and Occupational Disease (FROI) is used to gather injury and occupational disease data. FROI's consist of four sections that provide information on the worker, accident, employer and insurer. It is completed and submitted to ERD by employees, employers or insurers. The injury or occupational disease may be reported under “NOC-Not Otherwise Classified”, due to lack of data or the inability to categorize the data.

The FROI in this study include all injuries and occupational diseases reported to ERD; however, all injuries and occupational diseases that occurred in Montana may not have been reported.

### **Subsequent Report Data**

The Subsequent Report of Injury form is completed for each individual indemnity claim and is submitted to ERD by adjusters or insurers on every six-month anniversary of the date of injury, while the claim is open. The form includes claimant identification information; status of the claim, type of benefits paid and benefit payment amounts.

The study includes data reported to ERD on injury and occupational disease indemnity claims. Subsequent Reports may not have been submitted to ERD for all indemnity claims.

### **Year-to-Year Comparisons**

Whenever possible, the data is presented with a comparison between the last five fiscal years.

## *Data Sources*

### **Department of Labor and Industry, Mediation Unit**

The Mediation Unit of the DLI, ERD provided mediation section data.

### **Department of Labor and Industry, Occupational Safety and Health Bureau**

The Safety and Health Bureau of ERD provided safety section data.

### **Department of Labor and Industry, Workers' Compensation Regulation Bureau**

The Workers' Compensation Regulation Bureau provided data for the following sections of the report: Plan 1 Gross Annual Payroll, Plan 2 and 3 premium dollars, PEOs, Indemnity and Medical Benefits, SIF, Managed Care Organizations (MCOs), UEF and IC Exemptions.

### **Hearings Bureau**

The DLI Hearings Bureau provided Contested Case Hearings data.

### **Regulatory Costs and Industrial Accident Rehabilitation Trust Fund Expenses**

These costs were obtained from the state's Accounting, Budgeting and Human Resource System (SABHRS).

### **Workers' Compensation Court**

Workers' Compensation Court data were provided by the Court, which is administratively attached to the DLI.

### **Workers' Compensation Database (WCAP)**

The database system was built at the request of the legislature to provide management information. Employers, insurers, claimants, attorneys, medical providers and other parties of the workers' compensation community in Montana provide data for the system. ERD maintains the database.

## *Contracted Services*

### **Insurance Services Office, Inc.**

Insurance Services Office, Inc. (ISO) is the leading supplier of statistical, actuarial, and underwriting information for and about the property/casualty insurance industry. ISO is a recent entrant into the workers' compensation field and provides data analysis to ERD on a contract basis.

## *Future Annual Reports*

If you have suggestions or comments about this annual report, please share them with us. We are most interested in any comments or suggestions that will make this report more useful to Montanans in general and the workers' compensation system in particular. You may direct your comments to:

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## *Internet Site*

This report and previous reports are available on the Internet at the following web site:  
<http://erd.dli.mt.gov/wcclaims/wcchome.asp>

## *Special Studies Available*

- ◆ The Effect of Apportionment and Capping on Occupational Disease Claims – *A study requested by the Montana Department of Labor & Industry, Employment Division and conducted by Insurance Service Offices, Inc.*<sup>1</sup>

This report is available on the Internet at the following web site:  
<http://erd.dli.mt.gov/wcclaims/wcchome.asp>

- ◆ Attorney Fee Supplement to Settlement Attorney Fees<sup>2</sup>

**To request a copy of an Annual Report, special study or Attorney Fee Supplement, please contact:**

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<sup>1</sup> Published in 2002 Workers' Compensation Annual Report

<sup>2</sup> Published annually